

# Developments in the Consumer Market

## Consumer Buying Higher in 1960

### Postwar Annual Growth In Real Consumption Was 3½ Percent

### Most Service Groups Increasing In Importance

CONSUMER expenditures in the fourth quarter of 1960 increased to a new high after the easing tendency in the third quarter. For the year as a whole, consumers bought a record volume of goods and services—5 percent more than in 1959. This increase in consumer demand was an important contributing factor in the expansion of total output in 1960—with the rise in consumer expenditures accounting for three-fourths of the advance in total GNP. During the first half of 1960, consumers increased their spending consonant with the rise in income and product; the slowing down in buying in the second half had consequential effects on the current business situation and near-term prospects.

Three basic patterns of consumer behavior have become discernible during the postwar period. First, consumer expenditures have tended to move in general correspondence with demands originating in the rest of the economy—business and government—particularly in periods of sustained high employment.

Second, in the periods of short cyclical swings, such as 1953-54 and 1957-58, consumers have played an important role in moderating the duration and magnitude of the downturn, though here a distinction must be drawn between buying of durable goods and other purchasing. In these periods, total consumer purchases were maintained at relatively high rates, due partly to the bolstering effects of larger government transfer payments and other stabilizers.

Finally, on occasions consumers have struck out in an autonomous fashion, i.e., independently of the flow of in-

come or of the course of the economy, but this has reflected unusual and temporary events. Examples of such actions are the 1950 spending bulge following the outbreak of the Korean conflict, and the 1955 spurt in buying reflecting primarily an unusual response to the changes in automobile design.

Since consumers tend at times to display differential behavior, the analysis of the current expenditure pattern and recent trends is pertinent at this time when businessmen are examining their investment programs to satisfy consumer demands, and when consumers themselves are considering budgets for the period ahead.

In this article we shall depict recent developments in consumer markets, with emphasis on the underlying differences in growth between consumption and other major market sectors. Some attention will be given to the areas of stability in consumer buying and to those where considerable variation occurs.

#### *Recent changes in consumption*

Consumer buying was a major factor in facilitating the rapid recovery of business from the 1958 recession low. From the first quarter of that year to the second quarter of 1960, when the GNP was at a peak rate, consumption expenditures accounted for nearly three-fifths of the 17-percent increase in GNP. The relative increase in consumption expenditures over this period was commensurate with that of disposable personal income.

The following chart shows the participation of the major expenditure groups in the advance. In the case of automobiles and parts—the category of

expenditures which dropped most sharply in the 1958 recession—the rise was rapid through mid-1959, after which purchases tended to fluctuate around a constant level.

Since the middle of 1960, consumer demand has tended to lag somewhat, and outlays for some groups of goods have shown mildly declining tendencies. On the other hand, expenditures for most services have continued upward.

The sluggishness in goods demand has reflected: (1) the recent decline in nonfarm employment, and a leveling-off tendency in the income flow, seasonally adjusted, mostly associated with reduced activity in the manufacturing of durable goods; and (2) consumer hesitation with respect to purchases of durable goods generally, as furniture and appliance demand was affected by reduced housing activity, while the new car market lacked vigor.

Consumer expenditures for the fourth quarter of 1960 as a whole increased from the third quarter, but during the final 2 months of last year purchases of goods dropped off. Sales at all retail stores in November and December were reduced from the high seasonally adjusted October rate, with sales by durable goods stores in particular being lower.

#### *Marked shifts in spending*

While the easing of consumer demand affects the current prospects for sales and profits, the longer run changing pattern of consumer expenditures is a factor which businessmen consider in plans to expand facilities and to make timely moves to build appropriate types of plant and equipment.

Consumer expenditures in 1960 represented a record high in both dollar and real terms. About 47 percent of the total consisted of purchases of non-durable goods such as food and clothing, another 40 percent was spent for services of all types, and the remaining 13 percent went for durable goods.

As the chart on page 15 shows, about half of total expenditures were for the food, tobacco, clothing, and shelter groups. While many items in these groups are so-called "necessitous," nevertheless this proportion should not be interpreted as the share required for living. Obviously there are many goods included in this total which are not at all necessities and, indeed, may be considered luxuries. On the other hand, some items in the other groups of expenditures are quite necessary in everyday living—such as many utilities and the use of a car.

It may also be noted that one-fourth of all purchases were for housing and household operation services and for

furniture, furnishings, and equipment—categories associated with the home. Transportation (including automobiles and gasoline) took about one-eighth of the consumer dollar.

#### Shifts in market shares

The pattern of expenditures in 1960 represents a shift from that of 1948, when the economy had once again reached high rates of civilian employment and output following the conversion from wartime operations. In that year—when the expenditure pattern had not as yet returned to "normal"—consumers channeled 55 percent of their total expenditures into nondurable goods, a larger proportion than in 1960; the services absorbed a much smaller proportion than in 1960—32 percent; and about the same proportion, 13 percent, was spent on durable goods.

Consumers have changed their ways of spending in the past dozen years,

although to a particular family or from one year to the next the change may not be readily discernible. Within the broad totals of durables, nondurables, and services, many groups have gained in importance in the consumer budget since 1948, while others have become relatively less popular or less necessary. These tendencies are shown in the chart on page 16.

#### Increases in market

The groups which show upward shifts, increasing in importance, comprised half of the total expenditures last year, whereas in 1948 the same groups comprised two-fifths of the total. These categories include important commodities as well as services.

Housing expenditures have shifted upwards in importance both in dollar and real terms. In 1948 these expenditures, including rents, cost of hotel accommodations, and payments for other types of shelter, comprised 10 percent of the total consumer budget; by 1960 the proportion had risen to 13 percent. Although the percentage rise may appear small, in dollar terms the increase amounted to \$25 billion.

The higher proportion of the consumer dollar spent currently on housing has been in part due to a considerable advance from the relatively low rents—many still controlled—which prevailed in the early postwar years and to the increasing popularity of home ownership. From 1948 to 1960, rents increased by two-fifths, while the total consumer price index rose by nearly a fourth; home ownership advanced by two-thirds, or 13 million units, in this period.

Household operation expenditures, which are closely related to those for housing, also have moved upward in relation to the total since 1948, and by about the same percentage as housing. Within the household operation total, the current proportions are higher than in 1948 for electricity, gas, water, and telephone services. In contrast, domestic service expenditures have declined in importance as other job opportunities have become increasingly available and more attractive.

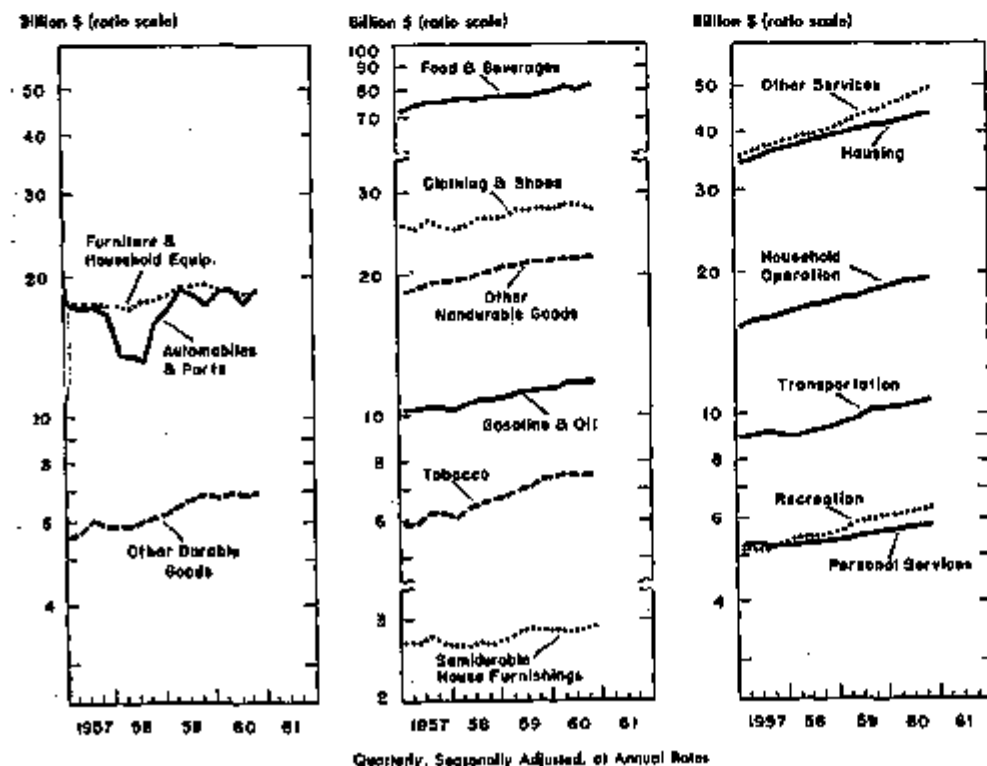
Another sizable upward shift in importance has occurred in the miscella-

### RECENT PATTERN OF CONSUMER EXPENDITURES

**DURABLES** Have Lagged This Year, With Wide Swings in Autos and Some Easing in Furniture

**Most NONDURABLES** Have Levelled off Following Recent Increase

**SERVICES** Continue Upward



neous service group which includes medical care and personal business. Medical care expenditures, covering in addition to doctors' bills such items as hospitalization fees and health insurance payments, increased from 4 percent of total expenditures in 1948 to 5 percent in 1960. Dominant influences in this rise have been the substantial advances in medical costs and the increasing use of medical facilities by a larger percentage of the population. This relative gain in demand has reflected not only the increasing prosperity experienced during the postwar period but also the launching of new medical products, the development of new techniques including medical insurance, and the increasing public knowledge of the vast benefits to be derived from these improved services. In the personal business expenditure category, the

with a total of 6.1 million cars in 1959. The industry actually produced considerably more than it sold in 1960, with the difference being reflected in large accumulations of inventories held by car dealers over the year. The consumer portion of new car purchases, taken together with used car markups and automobile parts, accounted for 5½ percent of the consumer budget in 1960 compared to 4 percent in 1948. This ratio, however, has displayed a most irregular pattern reaching as high as 7 percent in 1955. In the 1957-58 recession the proportion dropped from a high of more than 6 percent to 4½ percent.

As indicated earlier, the fluctuations in the relative amounts spent by consumers on autos and parts arise from the extraordinary swings of these expenditures in recession and recovery periods, and from the 1950 and 1955 buying spurts. In view of this experience, it is apparent that the longer run factors which influence automobile demand are not only numerous and complex, but tend to vary in their importance from time to time. In addition to the longer run factors, short-run influences—such as changes in income flows, car prices, credit terms, weather, and styles—are critical in determining the volume of sales and profits of automobile dealers.

Gasoline and oil accounted for 2½ percent of total spending in 1948 and 3½ percent in 1960, with this ratio showing little change in the past 4 years. The rise since 1948 has been associated with the rapid expansion in motor vehicle usage. In that earlier year, registrations of passenger cars totaled 33 million and this total mounted to 61 million by 1960.

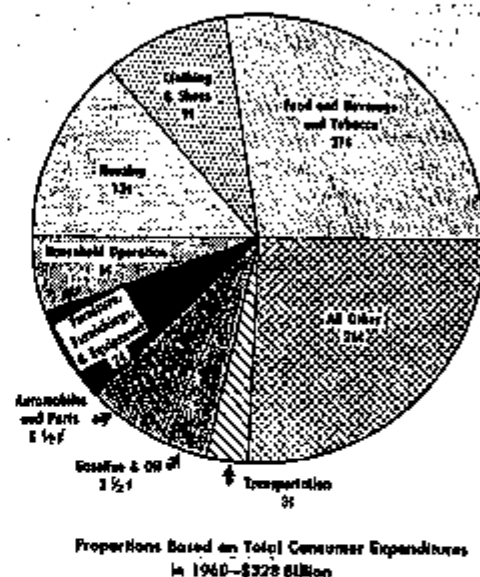
The small rise in the relative purchases of items in the miscellaneous durables group is due to moderate increases in outlays for such categories as wheel goods, durable toys, sport equipment, boats, and pleasure aircraft. The rise in the expenditure proportion for these is largely a reflection of the income growth and increased leisure time which accrued to individuals during the postwar period. Within the miscellaneous nondurable goods group, expenditures for drugs gained in importance, showing a relative increase since

1948 somewhat greater than that for medical care services. The proportion for the total miscellaneous nondurable goods group was only slightly higher, however, due to a decrease in the relative amount spent for fuel.

#### Losses in market shares

Other major groups of consumer expenditures have shown expanding sales, but a declining tendency in relation to the total market in the postwar period. These include the commodity groups

#### HOW THE CONSUMER SPENDS HIS DOLLAR



U. S. Department of Commerce, Office of Business Economics 61-1-7

Table 1.—Changes in Income and Product Aggregates in Postwar Recessions

(Billions of dollars, seasonally adjusted annual rates)

	Change from peak to trough in GNP		
	1948-49	1953-54	1957-58
Gross national product.....	-0.5	-0.9	-10.3
Personal income.....	-6.5	-1.1	-2.4
Income from current production.....	-7.3	-3.1	-5.0
Disposable personal income.....	-2.8	2.0	-1.2
Personal consumption expenditures.....	.8	3.2	-1.0

1. 4th quarter 1948 to 2d quarter 1949.

2. 2d quarter 1953 to 2d quarter 1954.

3. 3d quarter 1957 to 1st quarter 1958.

4. Personal income less transfer payments.

Source: U. S. Department of Commerce, Office of Business Economics.

share of which increased from 4 percent in 1948 to 6 percent in 1960, relatively larger amounts are currently going for such items as life insurance (measured net of claims paid) and interest on personal debt.

Besides these services, a number of commodity groups have also increased in importance; these include automobiles and parts, gasoline and oil, and the miscellaneous durable goods group.

#### Automobile share

New car sales in 1960 totaled 6.6 million, of which ½ million were imports. This volume has been exceeded only by the 7½ million in 1955, and compares

food and beverages, tobacco, clothing and shoes, and furniture, furnishings and equipment, and the transportation, recreation, and personal service groups. In 1960, aggregate expenditures for these groups, which have lost relatively, amounted to \$160 billion, comprising about half of total consumer outlays. In 1948, these same groups had accounted for 60 percent of the total consumer budget. The shift occurred in both current and constant dollar terms.

The food and beverage group, which had been favored during the war period, declined from more than 30 cents out of the consumer dollar in 1948 to 25 cents by 1960. However, the actual dollar outlays for these items, amounting to more than \$80 billion in 1960, were about 45 percent above 1948; this rise compares with the increase in total

personal consumption expenditures of 85 percent over the same period. The lower proportion for food is only in part accounted for by the smaller price advance in foods than in other consumption items.

On a per capita basis, real purchases of food and beverages by consumers were somewhat higher in 1960 than in 1948, implying that the rate of increase in total food purchases was only a little more than population growth. Nevertheless, as is well known, the quality of many foods and the services associated with their marketing have improved substantially and these developments are only in part reflected in the data.

The next major group showing a smaller take of the total consumer market in 1960 than a dozen years ago is clothing and shoes. Although clothing purchases have been on an uptrend in the postwar period, the growth rate has been somewhat smaller than that for total consumption expenditures. The relative reduction in this market reflects in part changes in the pattern

of living, with increasing emphasis on casual wear. Apparently all categories of apparel have declined in relative importance, with the most pronounced drop occurring in women's and children's wear. In real terms, the decline in the ratio has been somewhat less because apparel prices have risen much less than overall consumer prices.

Expenditures for furniture and household equipment in 1960 were also below 1948 when related to total expenditures. Since prices of these items were only slightly higher in 1960 in contrast to the sizable increase in total consumer prices, in real terms the "amount" bought relative to all purchases was about the same in 1960 as in the earlier postwar year.

Within the group, the furniture proportion of the total consumer budget was about the same in 1960 as in 1948. However, the ratios for kitchen and other household appliances, and for china, glassware, and tableware have declined. In contrast, expenditures for radios, television sets, phonographs,

records and musical instruments were up somewhat from 1948 relative to total spending. This gain reflects the recent upsurge in the popularity of many of these items under conditions of expanding incomes.

Some important groups of services have also lost in the competition for the consumer dollar. In the case of transportation the 1960 proportion was below that of 1948. Purchased local and intercity transportation services in particular have shown substantial declines relative to all expenditures, mostly due to the inroads made by passenger cars.

Personal services, with the exception of those at barbershops and beauty parlors, declined relative to all other purchases, as the laundering, cleaning, and repair of clothing and shoes by service establishments have progressively been displaced by the increasing use of home equipment and of wash-and-wear and drip-dry articles. Finally, recreational service expenditures currently comprise a smaller portion of the consumer budget. Admissions to spectator amusements, particularly movies, have declined relative to total spending, with the growing emphasis on hobbies and other home entertainment.

In summary, while expenditures for goods as a whole have not kept pace with services relative to the total expenditure budget, nevertheless shifts in consumer choices have resulted in mixed tendencies within these broad groups.

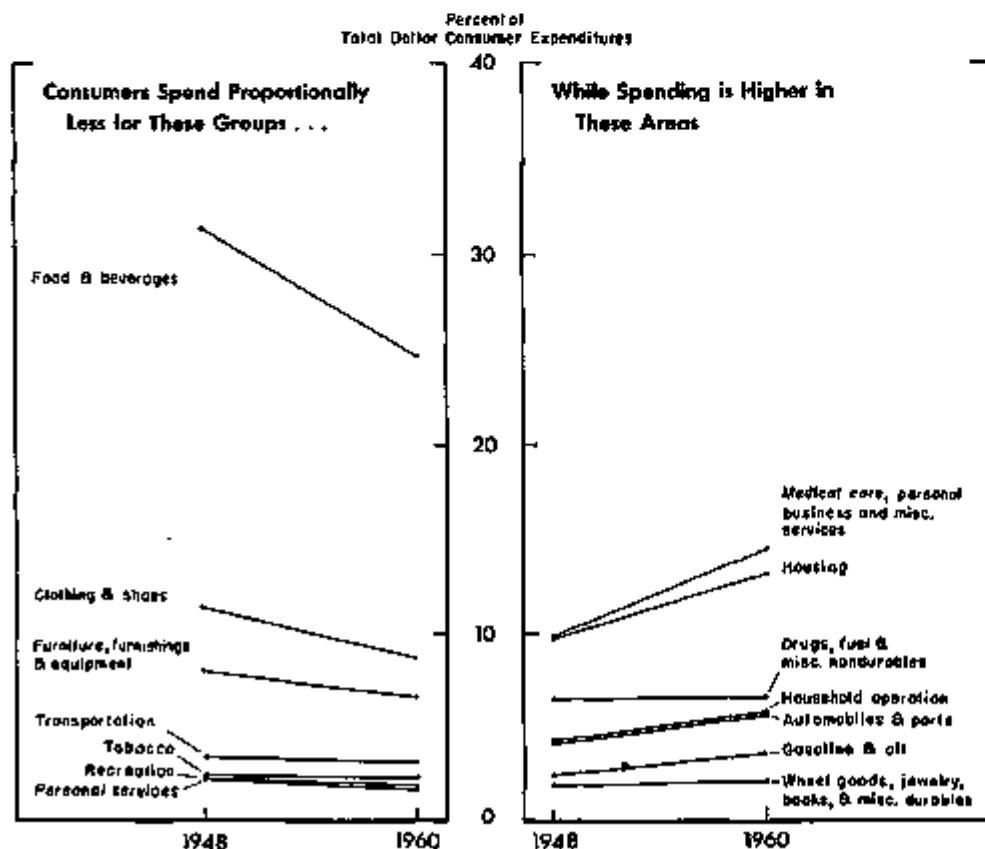
*Postwar growth of real consumption has been 3½ percent per year*

Despite shifts in preferences among various types of goods and services, total consumer purchases in real terms have grown at a relatively stable rate of 3½ percent per year in the period from 1948 to 1960. The chart on page 17 shows for the postwar years real consumption expenditures along with the other major groups of final purchases in the economy.

The aggregate of all final purchases when combined with the change in business inventories results in the total national output or gross national product. Real GNP and final purchases have also grown at the rate of 3½ per-

### POSTWAR SHIFTS IN CONSUMER MARKETS

1948 and 1960



cent per year over the entire period 1948 to 1960. The sharp rise in Federal Government purchases of goods and services during the period of the Korean conflict was a factor in the somewhat larger annual rate of increase in total real GNP in the period prior to 1953.

Two basic characteristics of each of the major groups are evident from the chart—the growth trend and the size of the fluctuations around the trend. It is evident that real consumer purchases have increased rather steadily and have shown less pronounced fluctuations than the other major groups. There are a number of reasons for this. Many of the components of consumer demand are directly related to population growth, and hence tend to increase slowly and in a regular fashion.

More importantly, in the postwar periods of cyclical swings, the income losses accompanying reductions in employment are, to a considerable extent, offset by supplementary payments such as increased unemployment compensation and old-age retirement benefits. In addition, the progressive feature of our personal income tax acts to moderate the decline in spendable income. These effects are brought out for the three postwar recessions in table 1.

The decline in income arising from current production—personal income less transfer payments which consist mainly of social insurance benefits, including unemployment compensation, and payments to veterans—was fairly sharp in each of the three recessions. The drop in personal income, however, was considerably less due to higher transfer payments. Finally, income after the payment of personal taxes showed an even lesser decline in both the 1948-49 and the 1957-58 periods, while in the 1953-54 period it actually increased. This movement in the disposable personal income is reflected in correspondingly similar changes in total personal consumption expenditures.

Within the consumer expenditure total which, as indicated above, has shown a growth rate in real terms of 3½ percent per year, the durable goods segment has increased at an average annual rate of 4 percent, while the growth of the nondurable goods and service groups combined has been a

little slower—3½ percent. Moreover, fluctuations around the trend of the durable goods purchases have been sizable and irregular. The average annual deviation of the actual purchases from trend values was 6 percent, varying from +14 percent in 1955 to -9 percent in 1958. This is an area of considerable variability in the economy, with buying of automobiles being especially volatile. On the other hand, fluctuations around the trend of purchases of nondurable goods and services have been much more limited—averaging less than 1 percent.

#### *Trends of other final purchases*

The major groups of final purchases other than consumption have shown strikingly divergent long-term trends. The growth in real expenditures on plant and equipment has been the smallest of all the major sectors shown on the chart—averaging 1½ percent per year; however, this group has displayed wide deviations from the trend—5 percent on the average in the 12-year period 1948-60. Changes in invest-

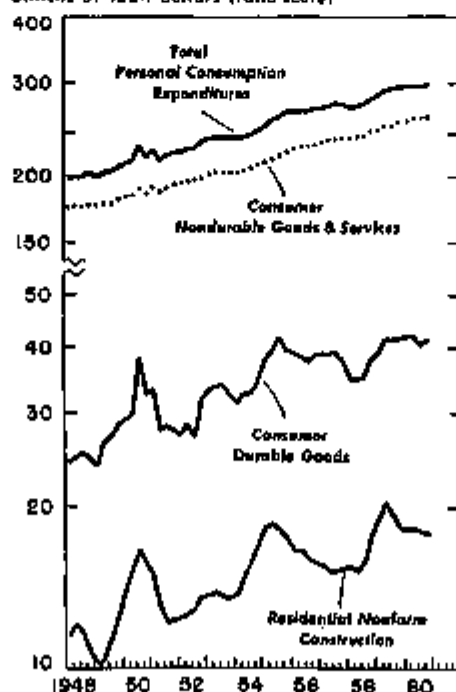
ment programs from one period to the next arising from altered supply-demand relations and from other factors have contributed much to the instability in this area in the postwar period.

Real expenditures for residential construction have tended sharply upward since the war, which ended with a big backlog of demand. The lows and highs of the swings in these purchases have not conformed in timing to the cycles apparent in the other groups of final private purchases. Also, the relative fluctuations have been quite extreme—the deviations from trend averaging 7½ percent.

Government purchases in real terms have also risen reflecting principally the increased services required by a growing population and needs for national defense. Expenditures by State and local bodies in particular are geared to population growth. In the last 6 years, real purchases by the Federal Government have shown relatively small changes around levels considerably below those prevailing in the Korean period. State and local

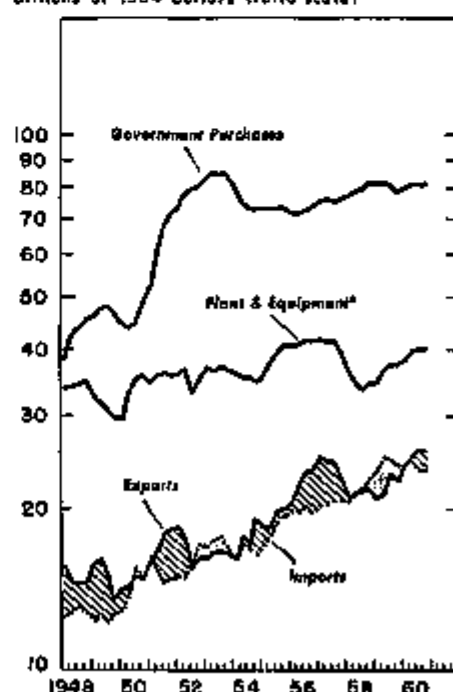
### POSTWAR TRENDS OF FINAL PURCHASES BY CONSUMERS, BUSINESS, AND GOVERNMENT

Billions of 1954 Dollars (ratio scale)



Quarterly, Seasonally Adjusted, at Annual Rates

Billions of 1954 Dollars (ratio scale)



\* Products' durable equipment and  
Private nonresidential construction

purchases, on the other hand, continued their steady rise.

Finally, exports and imports separately, measured in real terms, have shown strong uptrends of roughly the same rate during the postwar period. Only the net value of these transactions is included in GNP, i.e., exports less imports, and this difference though moving widely in short periods shows no long-run upward or downward tendency.

Thus, the growth rates of the separate broad markets comprising the GNP have varied widely from 1½ percent increase per year for plant and equipment expenditures to 5 percent for government (considering the entire period from 1948 to 1960). Table 2 shows these growth rates for major components of GNP and the average percentage deviations from the growth trends.<sup>1</sup>

#### Differential growth among purchase lines

As might be expected, the postwar growth rate of total consumption is the resultant of a combination of widely different tendencies among the component groups. Here again, the focus will be on the rate of growth and the degree of departure from trend.<sup>2</sup>

In real terms the growth rates of the major consumer expenditure groups shown in the accompanying chart have varied from 6½ percent per year for the group of items consisting of wheel goods, jewelry, books, and miscellaneous durables to less than 1 percent for recreation and for personal services. In the categories within the major groups, the long-term change has varied from a rate of growth averaging 9 percent per year for wheel goods and sport equipment—a component of the fastest growing group—to an average decline of 8 percent per year for local streetcar and bus transportation.

The chart shows that the groups which have increased more rapidly than total expenditures include all types of items—durables, nondurables, and services. In addition to the miscellaneous

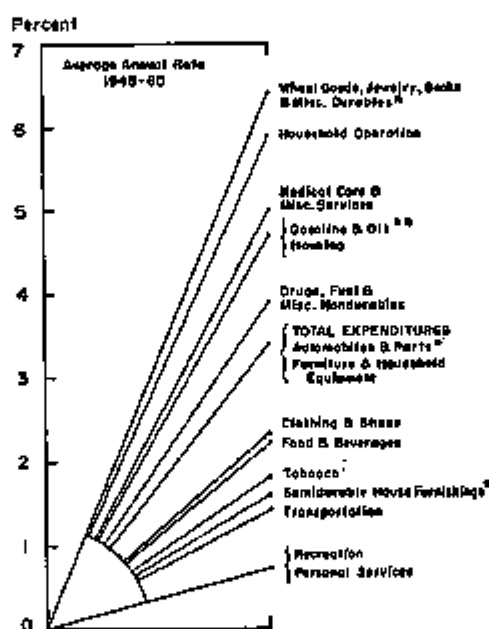
durable goods group noted above, relatively large growth rates over the postwar period have characterized purchases of housing, household operation, medical care, gasoline and oil, and drugs—categories largely associated with the maintenance of health and the utilization and servicing of consumer durables. In combination, these faster-than-average moving groups have shown a rate of growth of 5 percent per year.

On the other hand, groups which

there is considerable variability among the groups indicated in the short-term fluctuations about the growth trends. This is shown in table 3 where the average percentage deviations from the postwar trends are indicated for the major groups of real consumption expenditures. Largest departures from trends characterize durable goods purchases which are very sensitive to changes in income and employment. Many nondurable goods and service items, on the other hand, are bought on a relatively steady and regular basis and display only small fluctuations about the growth tendencies.

#### REAL CONSUMER EXPENDITURES

Postwar Growth Rates Have Varied Widely Among Major Groups



\* Based on 1949-60 \*\* Based on 1955-60

Note: Growth rates based on logarithmic linear regression

U. S. Department of Commerce, Office of Business Economics 61-1-10

have grown at slower rates than total outlays include food and beverages, tobacco, clothing and shoes, recreation, transportation, and personal services, all of which reflect to a large degree increased demands stemming from population growth, which in the past 12 years has been at an average annual rate of 1.7 percent. Actually the three service groups have increased at a lesser rate than that of population. The aggregate of all the major groups growing more slowly than total outlays shows an average rate of growth of 2 percent per year.

Of added interest is the fact that

#### Stability of Consumer Expenditures in Relation to Income

Two types of relations are presented for the postwar years—the ratio of consumer spending to income and a comparison of consumer purchases with those by business and government combined.

Consumer buying in total tends to be closely geared to the flow of income, which in turn is in part a function of autonomous consumer action and more importantly of business investment and government purchases. In the past decade, consumer expenditures have fluctuated within the fairly narrow range of 92 to 93 percent of spendable income (personal income less taxes). The ratios were somewhat higher in the earlier postwar years due to efforts of consumers to satisfy their wartime pent-up demands, production distortions, and price controls, and in 1950 and 1955, due to the special influences of military expenditures and prospects in the former year and of unusual cyclical factors in the latter.

An examination of quarterly movements suggests that significant shifts in the spending-income ratio, particularly in periods of cyclical swings, usually have been associated with changes in buying of durable goods, especially automobiles. When purchasing of durables decreases significantly, the spending-income ratio tends to decline, and vice versa. For example, in the third quarter of last year, consumers reduced their purchases of automobiles from

1. This is measured by averaging the absolute values of the percentage differences between actual purchases and the corresponding trend values for the 1948-60 period.

2. It should be noted that this section views the postwar developments in expenditures from a somewhat different but related standpoint than that presented earlier, when relative amounts of expenditures were compared for two years, 1948 and 1958.



the second quarter rate; accompanying this development the proportion of spending to income dropped by more than 1 percentage point; in the fourth quarter, automobile buying was increased and the ratio rose by about 1 percentage point. Now auto buying is declining once more.

**Table 2.—Postwar Growth Rates and Average Deviations From Trend of Major Components of Real Gross National Product**

(Percent)		
	Average annual rate of growth	Average deviation from trend
Gross national product.....	3.4	2.0
Personal consumption expenditures...	3.4	1.9
Durable goods.....	4.1	5.6
Nondurable goods and services.....	2.3	0.8
Plant and equipment.....	1.5	4.7
New private nonfarm residential construction.....	3.9	7.5
Government purchases of goods and services (including Federal, State and local).....	5.1	12.0
	2.4	1.4

Note: Rates of growth are based on linear logarithmic regression using data in 1954 dollars for the period 1948-60, except where otherwise indicated.

1. "Producers" durable equipment and private nonresidential construction.

2. Based on period 1955-60.

Source: U.S. Department of Commerce, Office of Business Economics.

Changes in outlays by business and government affect the flow of income and consumer buying, and fluctuations in consumer demand in turn react upon other types of purchases.

In 1959 and 1960 the ratio of consumer expenditures to total business and government purchases (GNP less consumer expenditures) was about 1.9. In the past 10 years this proportion has varied within a rather narrow range, and in fact in periods of high employment and production, it has been remarkably stable. Thus, in each of the years 1951, 1952, and 1953, consumer expenditures were about 1.75 times as large as the rest of GNP. Again, in each of the prosperous years 1955, 1956, and 1957, the proportion stabilized at 1.8, close to that of the preceding high employment years.

In years of downturn, on the other hand, consumer purchases have tended to hold up better than purchases by other groups—they are less cyclically sensitive—and as a result the ratio has risen in such periods. This is illustrated by the recession years 1954 and 1958 when the ratio increased to 1.9 and 1.95, respectively.

The foregoing comparisons suggest that consumers "normally" tend to spend a constant proportion of their income after taxes and deviate significantly from this relation only in special situations such as in periods of adverse business conditions and when they find it advantageous, for one reason or another, to modify their pattern of

**Table 3.—Postwar Growth Rates and Average Deviations From Trend of Major Groups of Real Consumption Expenditures**

(Percent)			
	Average annual rate of growth	Average deviation from trend	Relative importance in 1959
Goods and services.....	3.4	2.0	100.0
Durable goods.....	4.1	5.6	13.6
Automobiles and parts.....	3.4	19.1	6.6
Furniture and household equipment.....	3.4	2.5	6.8
Other durable goods.....	10.4	2.6	2.1
Nondurable goods.....	2.7	0.7	48.6
Clothing and shoes.....	2.3	1.3	8.8
Food and beverages.....	2.2	1.0	24.6
Gasoline and oil.....	4.7	1.5	3.8
Semidurable house furnishings.....	1.6	2.2	.9
Tobacco.....	1.8	2.5	3.2
Other nondurable goods.....	3.9	.9	0.6
Services.....	4.2	.7	49.0
Household operation.....	5.9	1.8	6.8
Housing.....	4.7	1.3	13.0
Personal services.....	.7	1.0	1.7
Recreation.....	.7	2.3	1.8
Transportation.....	1.4	1.8	3.2
Other services.....	5.0	1.1	14.4

Note: Rates of growth are based on linear logarithmic regression using data in 1954 dollars for the period 1948-60, except where otherwise indicated.

1. Based on period 1948-60.

2. Based on period 1955-60.

Source: U.S. Department of Commerce, Office of Business Economics.

purchases of goods, particularly the durables. Moreover, consumer purchases are to a degree linked to demands originating elsewhere in the economy, although from time to time, as a result of special influences, consumer spending departs from this relation.

## NEW OR REVISED *Statistical Series*

### Hotel Restaurant Sales (Indexes), 1929-59: Revisions for Page S-24<sup>1</sup>

(Same month 1961=100)

Year	January	February	March	April	May	June	July	August	September	October	November	December	Annual average <sup>1</sup>
1929.....	100	110	100	108	109	107	109	103	104	107	100	106	107
1934.....	100	111	110	103	110	106	106	102	103	107	103	106	106
1935.....	111	114	114	103	110	111	107	107	105	100	107	108	109
1936.....	113	110	112	116	117	113	110	112	100	114	100	111	112
1937.....	115	122	120	110	124	116	116	111	110	111	108	111	114
1938.....	114	114	116	100	121	111	111	108	108	113	108	113	112
1939.....	117	117	114	117	121	117	117	110	110	114	110	116	115

1. Revisions reflect change in comparison base period. Annual averages for 1929-52, respectively, are as follows: 42; 37; 29; 22; 21; 24; 33; 27; 40; 37; 38; 40; 44; 51; 48; 77; 84; 94; 87; 86; 92; 94; 100; 101.

Source: Horwath & Horwath.